



United States Senate
**Committee on Small Business
and Entrepreneurship**
Olympia J. Snowe, Chair

Thursday, September 15, 2005
<http://sbc.senate.gov>

For Immediate Release:
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SNOWE HURRICANE RELIEF LEGISLATION PASSES SENATE TODAY

Aids Small Businesses, Employees, Homeowners and Renters Devastated by Hurricane Katrina

WASHINGTON, D.C.- As Chair of the Senate Committee on Small Business and Entrepreneurship, U.S. Senator Olympia J. Snowe (R-Maine) worked to secure Senate passage today of legislation that provides immediate and meaningful relief to Hurricane Katrina victims. Snowe's legislation passed as an amendment to the Fiscal Year (FY) 2006 Commerce-Justice-Science Appropriations bill. Snowe announced many of these measures at a Senate Committee Chair meeting called by Senate Majority Leader Bill Frist (R-TN) last week.

"As Chair of the Committee on Small Business and Entrepreneurship, I will leave no stone unturned to provide immediate relief to small businesses in the Gulf Region who have lost everything to Hurricane Katrina," said Snowe. "The legislation that passed the Senate today provides the necessary resources to help businesses, homeowners and renters recover from the most catastrophic natural disaster our country has ever suffered."

Snowe also announced that she introduced the same package of legislation as a free standing bill in order to help ensure that aid reaches Katrina victims as soon as possible. After it is passed by the Senate, the Commerce-Justice-Science Appropriations bill must still be approved by a House-Senate conference committee.

"The damage from Hurricane Katrina will continue long after the floodwaters recede and the levees are reconstructed," said Snowe. "With the Small Business Administration at the forefront of the massive relief effort, we must strengthen their resources to help the people of the Gulf area return to a normal way of life so they can once again see their businesses prosper."

Snowe's legislation is a comprehensive package of measures that would expand the Small Business Administration's (SBA) disaster loan program, provide grants to those states affected by Hurricane Katrina, expand the SBA's Entrepreneurial Development Program, and grant small businesses greater access to federal contracts through HUBZones.

Senator Snowe noted that her legislation includes language that is more specific than Supplemental Terrorist Activity Relief program, a SBA relief program that came into effect in the aftermath of the September 11th attacks.

Key components of Senator Snowe's bill (SA. 1717) include:

Small Business Administration Disaster Loan Program

- Allow borrowers to defer the repayment of SBA disaster loans up to 12 months.
- Increase the maximum size of an SBA disaster loan from \$1.5 million per loan to \$10 million per loan.
- Refinancing of debt.
- Permit non-profit institutions to apply for disaster loans.
- Establish an extended period of one year for applying for disaster loans.
- Appropriate \$86 million to increase SBA disaster loans by \$600 million, from \$3.4 billion to \$4.0 billion for FY 2006.
- Create a pilot program to assist small businesses and farms to cope with rapid increase in energy costs.

SBA Entrepreneurial Development Program

- Authorize the appropriation of funds for Small Business Development Centers (SBDC), Women's Business Centers and Veteran's Business Centers.
- Authorize the SBA Administrator to waive the \$100,000 maximum for SBDC portability grants.

SBA 7(a) and 504 Business Loan Programs

- Increase the authorization for the 7(a) Program from \$17 billion to \$20 billion.
- Increase the authorization for the 504 Program from \$7.5 billion to \$10 billion.
- Allow the SBA to defer repayments owed to the SBA by borrowers in the SBA's 504 Loan Program.
- Offer 7(a) Program Business Loans with lower fees to small businesses adversely impacted.

Small Business Contracting Provisions

- Designate the Hurricane Katrina disaster area as a HUBZone, which would enable small businesses to receive contracting preferences and price evaluation preferences to offset greater costs of doing business.
- Increase maximum size of surety bonds from \$2 million to \$10 million.
- Direct the SBA, and the Directors of Small and Disadvantaged Business Utilization to create a contracting outreach program for small businesses located or willing to locate in the Katrina disaster area.

Grants to States Damaged by Hurricane Katrina

- Authorizes a grant of \$400 million, combined, to all five States that suffered physical damage from Hurricane Katrina: Louisiana, Mississippi, Alabama, Texas, and Florida. The Department of Commerce would administer the grants, and states that suffered from Hurricane Katrina would have discretion to use the grants as they choose. One use could be to provide “bridge loans” to homeowners or businesses while they wait for their SBA disaster loans to be reviewed.